

# EXHIBIT 4

## SEC EDGAR Filing Information

### Form SC 13D/A -- General statement of acquisition of beneficial ownership [amend]

Filing Date Changed: **2004-09-01**

Group Members: **EMANUEL R. PEARLMANLIBERATION INVESTMENT GROUP  
 LLCLIBERATION INVESTMENTS LTD.LIBERATION INVESTMENTS, L.P.**

Documents: 3

SEC Accession No.

**0000914121-04-**

**001792**

Filing date: **2004-09-**

**01**

Accepted: **2004-09-**

**01 13:49:59**

#### Table of submitted documents:

| Seq | Type     | Document                                 | Size  | Description                          |
|-----|----------|--|-------|--------------------------------------|
| 1   | SC 13D/A | <a href="#">li697950-13da3.txt</a>       | 21339 | AMENDMENT NO. 3                      |
| 2   | EX-8     | <a href="#">li697950-ex8.txt</a>         | 1930  | LETTER TO BOARD OF DIRECTORS         |
| 3   | EX-9     | <a href="#">li697950-ex9.txt</a>         | 2417  | PRESS RELEASE                        |
|     |          | <a href="#">0000914121-04-001792.txt</a> | 28079 | <b>Complete submission text file</b> |

#### Filer Information

**BALLY TOTAL FITNESS HOLDING CORP** (Subject) (**0000770944**)

IRS No.: **363228107** | State of Incorp.: **DE** | Fiscal Year End: **1231**

Type: **SC 13D/A** | Act: **34** | File No.: **005-47769** | Film No.: **041010552**

SIC: **7997** Services-Membership Sports & Recreation Clubs

##### Business Address

8700 WEST BRYN MAWR AVENUE  
 SECOND FLOOR  
 CHICAGO IL 60631  
 773-380-3000

##### Mailing Address

8700 WEST BRYN MAWR AVENUE  
 SECOND FLOOR  
 CHICAGO IL 60631

**LIBERATION INVESTMENT GROUP LLC** (Filed by) (**0001259272**)

##### Business Address

##### Mailing Address

11766 WILSHIRE BLVD.,  
 SUITE 870  
 LOS ANGELES CA 90025

<DOCUMENT>  
<TYPE>SC 13D/A  
<SEQUENCE>1  
<FILENAME>li697950-13da3.txt  
<DESCRIPTION>AMENDMENT NO. 3  
<TEXT>

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13D  
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS  
FILED PURSUANT TO RULE 13d-1(a) AND AMENDMENTS  
THERE TO FILED PURSUANT TO RULE 13d-2(a)

Amendment No. 3

Bally Total Fitness Holding Corporation

-----  
(Name of Issuer)

Common Stock, par value \$.01 per share

-----  
(Title of Class of Securities)

058 73K 10 8

-----  
(CUSIP Number)

Dennis J. Block, Esq.  
Cadwalader, Wickersham & Taft LLP  
100 Maiden Lane  
New York, NY 10038  
(212) 504-5555

-----  
(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

August 31, 2004

-----  
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), Rule 13d-1(f) or Rule 13d-1(g), check the following box ☐.

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7(b) for other parties to whom copies are to be sent.

\*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

<PAGE>

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CUSIP No. 058 73K 10 8  
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SCHEDULE 13D

-----  
Page 2 of 9  
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-----  
1 NAME OF REPORTING PERSON  
Liberation Investments, L.P.  
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON  
-----

-----  
2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)  
(a) ☐ (b) ☒  
-----

-----  
3 SEC USE ONLY  
-----

-----  
4 SOURCE OF FUNDS (See Instructions)  
WC  
-----

-----  
5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d)  
or 2(e) ☐  
-----

-----  
6 CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware  
-----

-----  
7 SOLE VOTING POWER  
0  
-----

NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON  
WITH

-----  
8 SHARED VOTING POWER  
1,540,803  
-----

-----  
9 SOLE DISPOSITIVE POWER  
0  
-----

-----  
10 SHARED DISPOSITIVE POWER  
1,540,803  
-----

-----  
11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY REPORTING PERSON  
1,540,803  
-----

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions) [ ]

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
4.52%

14 TYPE OF REPORTING PERSON (See Instructions)  
PN

<PAGE>

CUSIP No. 058 73K 10 8

SCHEDULE 13D

Page 3 of 9

1 NAME OF REPORTING PERSON  
Liberation Investments Ltd.  
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)  
(a) [ ] (b) [X]

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions)  
WC

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) [ ]

6 CITIZENSHIP OR PLACE OF ORGANIZATION  
Cayman Islands

7 SOLE VOTING POWER  
0

NUMBER OF  
SHARES 8 SHARED VOTING POWER  
839,897

BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON  
WITH

9 SOLE DISPOSITIVE POWER  
0

10 SHARED DISPOSITIVE POWER

839,897

-----  
11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY REPORTING PERSON  
839,897

-----  
12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See  
Instructions) [ ]

-----  
13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
2.47%

-----  
14 TYPE OF REPORTING PERSON (See Instructions)  
CO

-----  
<PAGE>

-----  
CUSIP No. 058 73K 10 8

SCHEDULE 13D

-----  
Page 4 of 9

-----  
1 NAME OF REPORTING PERSON  
Liberation Investment Group LLC  
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

-----  
2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)  
(a) [ ] (b) [X]

-----  
3 SEC USE ONLY

-----  
4 SOURCE OF FUNDS (See Instructions)  
N/A

-----  
5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d)  
or 2(e) [ ]

-----  
6 CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware

-----  
7 SOLE VOTING POWER  
0

-----  
NUMBER OF  
SHARES 8 SHARED VOTING POWER  
BENEFICIALLY 2,380,700

OWNED BY  
EACH  
REPORTING 9 SOLE DISPOSITIVE POWER  
PERSON 0  
WITH

10 SHARED DISPOSITIVE POWER  
2,380,700

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY REPORTING PERSON  
2,380,700

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See  
Instructions)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
6.99%

14 TYPE OF REPORTING PERSON (See Instructions)  
OO, IA

<PAGE>

CUSIP No. 058 73K 10 8

SCHEDULE 13D

Page 5 of 9

1 NAME OF REPORTING PERSON

Emanuel R. Pearlman

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)  
(a) ☐ (b) ☒

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions)  
N/A

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d)  
or 2(e) ☐

6 CITIZENSHIP OR PLACE OF ORGANIZATION  
United States

|                     |   |
|---------------------|---|
| -----               |   |
| 7                   | SOLE VOTING POWER<br>35,000   |
| NUMBER OF<br>SHARES | -----   |
| BENEFICIALLY        | 8 SHARED VOTING POWER   |
| OWNED BY            | 2,380,700   |
| EACH                | -----   |
| REPORTING           | 9 SOLE DISPOSITIVE POWER  |
| PERSON              | 35,000  |
| WITH                | -----   |
| 10                  | SHARED DISPOSITIVE POWER  |
|                     | 2,380,700   |
| -----               |   |
| 11                  | AGGREGATE AMOUNT BENEFICIALLY OWNED BY REPORTING PERSON                                     |
|                     | 2,380,700   |
| -----               |   |
| 12                  | CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See<br>Instructions) [ ] |
| -----               |   |
| 13                  | PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  |
|                     | 7.09%   |
| -----               |   |
| 14                  | TYPE OF REPORTING PERSON (See Instructions)   |
|                     | IN, HC  |
| -----               |   |

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#### INTRODUCTION

This Amendment No. 3 (this "Amendment") relates to the Schedule 13D filed on behalf of (i) Liberation Investments, L.P., a Delaware limited partnership ("LILP"); (ii) Liberation Investments Ltd. ("LILtd"), a private offshore investment corporation; (iii) Liberation Investment Group, LLC ("LIGLLC"), a Delaware limited liability company and general partner of LILP and discretionary investment adviser to LILtd; and (iv) Emanuel R. Pearlman, as General Manager, Chief Investment Officer and majority member of LIGLLC (collectively, the "Reporting Persons"), with the Securities and Exchange Commission on June 8, 2004, as amended by Amendment No. 1 filed on July 13, 2004 and Amendment No. 2 filed on August 27, 2004 (the "Schedule 13D"), relating to shares of common stock, \$.01 par value per share ("Common Stock"), of Bally Total Fitness Holding Corporation (the "Company").

Items 3, 4, 5 and 7 of the Schedule 13D are amended and supplemented as follows:

Item 3. Source and Amount of Funds or Other Consideration.

The net investment cost (excluding commissions, if any) of the shares of Common Stock beneficially owned by the Reporting Persons is \$9,620,922.50. The



source of funds for this consideration was working capital of LILP and LILtd.

Item 4. Purpose of Transaction.

On August 31, 2004, LIGLLC, on behalf of the Reporting Persons, delivered a letter to the Board of Directors of the Company. The letter, among other things, expressed concern over the Company's entering into a new employment contract with Paul Toback, President and Chief Executive Officer of the Company, at a time when the Company still has failed to file its Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2004, and requested that the Board of Directors ask Mr. Toback to delay the implementation of his new employment contract until the Form 10-Q has been filed. A copy of the letter is attached to this Amendment as Exhibit 8.

LIGLLC also issued a press release, dated September 1, 2004, announcing that it had delivered the letter described above. A copy of the press release is attached to this Amendment as Exhibit 9.

Item 5. Interest in Securities of the Issuer.

(a) As of the date hereof, the Reporting Persons have the following interests in the Common Stock of the Company:

- (i) LILP beneficially owns 1,540,803 shares of Common Stock and is the beneficial owner of 4.52% of the Common Stock.
- (ii) LILtd beneficially owns 839,897 shares of Common Stock and is the beneficial owner of 2.47% of the Common Stock.

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CUSIP No. 058 73K 10 8  
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SCHEDULE 13D

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- (iii) LIGLLC, as the sole general partner of LILP and the sole investment advisor to LILtd, beneficially owns 2,380,700 shares of Common Stock and is the beneficial owner of 6.99% of the Common Stock.
- (iv) Mr. Pearlman beneficially owns 35,000 shares of Common Stock and, as the majority member and General Manager of LIGLLC, beneficially owns 2,380,700 shares of Common Stock, and is the beneficial owner of 7.09% of the Common Stock.

The Reporting Persons in the aggregate may be deemed to own 7.09% of the Common Stock of the Company.

(b) The table below sets forth for each Reporting Person the numbers of shares of Common Stock for which there is sole or shared power to vote or to direct the vote, or sole or shared power to dispose or to direct the disposition, of the Common Stock:

|      |       |        | Mr.      |
|------|-------|--------|----------|
| LILP | LILtd | LIGLLC | Pearlman |
| ---- | ----- | -----  | -----    |

|   |           |         |           |           |
|---|-----------|---------|-----------|-----------|
| Sole Power to<br>Vote/ Direct Vote                | 0         | 0       | 0         | 35,000    |
| Shared Power to<br>Vote/ Direct Vote              | 1,540,803 | 839,897 | 2,380,700 | 2,380,700 |
| Sole Power to<br>Dispose/ Direct<br>Disposition   | 0         | 0       | 0         | 35,000    |
| Shared Power to<br>Dispose/ Direct<br>Disposition | 1,540,803 | 839,897 | 2,380,700 | 2,380,700 |

(c) In addition to the purchases or sales of the Company's Common Stock listed in Item 5(c) of Amendment No. 2 to the Schedule 13D, the following is a list of all purchases or sales of the Company's Common Stock by the Reporting Persons within the past 60 days:

- (i) On August 27, 2004, (i) LILP purchased 6,600 shares of Common Stock on the open market, at a price of \$3.9500 per share, and (ii) LILtd purchased 3,400 shares of Common Stock on the open market, at a price of \$3.9500 per share.
- (ii) On August 27, 2004, (i) LILP purchased 23,760 shares of Common Stock on the open market, at a price of \$3.9494 per share, and (ii) LILtd purchased 12,240 shares of Common Stock on the open market, at a price of \$3.9494 per share.

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CUSIP No. 058 73K 10 8  
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SCHEDULE 13D

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- (iii) On August 30, 2004, (i) LILP purchased 10,428 shares of Common Stock on the open market, at a price of \$3.9200 per share, and (ii) LILtd purchased 5,372 shares of Common Stock on the open market, at a price of \$3.9200 per share.
- (iv) On August 31, 2004, (i) LILP purchased 19,272 shares of Common Stock on the open market, at a price of \$3.9249 per share, and (ii) LILtd purchased 9,928 shares of Common Stock on the open market, at a price of \$3.9249 per share.
- (v) On August 31, 2004, (i) LILP purchased 33,000 shares of Common Stock on the open market, at a price of \$3.9270 per share, and (ii) LILtd purchased 17,000 shares of Common Stock on the open market, at a price of \$3.9270 per share.

(d) No person other than each respective owner of Common Stock referred to in this Amendment is known to have the right to receive or the power to direct the receipt of dividends from or the proceeds from the sale of such Common Stock.

(e) Not applicable.

Item 7. Materials to be Filed as Exhibits.

The following exhibits are filed with this Amendment:

EXHIBIT 8 Letter sent by Liberation Investment Group, LLC to the Board of Directors of Bally Total Fitness Holding Corporation on August 31, 2004.

EXHIBIT 9 Press Release, dated September 1, 2004.

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CUSIP No. 058 73K 10 8  
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SCHEDULE 13D

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Page 9 of 9  
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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: September 1, 2004

LIBERATION INVESTMENTS, L.P.

By: Liberation Investment Group, LLC, general partner

By: /s/ Emanuel R. Pearlman  
-----

Emanuel R. Pearlman  
General Manager

LIBERATION INVESTMENTS LTD.

By: /s/ Emanuel R. Pearlman  
-----

Emanuel R. Pearlman  
Director

LIBERATION INVESTMENT GROUP, LLC

By: /s/ Emanuel R. Pearlman  
-----

Emanuel R. Pearlman  
General Manager

Emanuel R. Pearlman

/s/ Emanuel R. Pearlman

</TEXT>

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<DOCUMENT>  
<TYPE>EX-8  
<SEQUENCE>2  
<FILENAME>li697950-ex8.txt  
<DESCRIPTION>LETTER TO BOARD OF DIRECTORS  
<TEXT>

EXHIBIT 8

Liberation Investment Group, LLC  
11766 Wilshire Boulevard, Suite 870  
Los Angeles, CA 90025  
Tel: 310.479.3434  
Fax: 310.479.3363

August 30, 2004

Board of Directors  
Bally Total Fitness Holding Corp.  
8700 West Bryn Mawr - 2nd Floor  
Chicago, IL 60631

Dear Board Members:

I have had the opportunity to read the 8K filed late last Friday which details the terms of the CEO's new contract. I found it quite disturbing that the Board and the CEO had the time to address this matter. I would have thought that 100% of your time and energy would be expended addressing the seriousness of the Company's missed 10Q filing deadline and correcting that situation. I would suggest that the financial implications of such a delay in filing a 10Q are far more pressing.

This is an extremely sensitive time for the Company, and it is essential that the market have confidence that the current leadership is able to prioritize and intensely focus on enhancing shareholder value. In order to avoid the appearance that the interests of the CEO and the shareholders are not in alignment, I request the Board ask Paul Toback to delay the implementation of his new contract until the Company files its 10Q for the period ended June 30, 2004. I think this request is more than reasonable, especially as many of the shareholders have seen a significant decrease in the value of their investment in the Company over the past year.

I would be more than happy to discuss this with you, and I reiterate that it is my goal to work with the Company to create value for all shareholders. Please feel free to call me at the above-listed contact information.

Very truly yours,

/s/ Emanuel R. Pearlman

Emanuel R. Pearlman  
Manager

</TEXT>  
</DOCUMENT>

<DOCUMENT>  
<TYPE>EX-9  
<SEQUENCE>3  
<FILENAME>li697950-ex9.txt  
<DESCRIPTION>PRESS RELEASE  
<TEXT>

EXHIBIT 9

Contact:

Emanuel R. Pearlman  
Liberation Investment Group, LLC  
11766 Wilshire Boulevard, Suite 870  
Los Angeles, CA 90025  
310.479.3434

LIBERATION INVESTMENT GROUP DELIVERS LETTER TO  
BALLY TOTAL FITNESS BOARD

Los Angeles, CA - September 1, 2004 - Liberation Investment Group, LLC announced today that the following letter was sent to the Board of Directors of Bally Total Fitness Holding Corporation (NYSE: BFT) on August 31, 2004:

Liberation Investment Group, LLC  
11766 Wilshire Boulevard, Suite 870  
Los Angeles, CA 90025  
Tel: 310.479.3434  
Fax: 310.479.3363

August 30, 2004

Board of Directors  
Bally Total Fitness Holding Corp.  
8700 West Bryn Mawr - 2nd Floor  
Chicago, IL 60631

Dear Board Members:

I have had the opportunity to read the 8K filed late last Friday which details the terms of the CEO's new contract. I found it quite disturbing that the Board and the CEO had the time to address this matter. I would have thought that 100% of your time and energy would be expended addressing the seriousness of the Company's missed 10Q filing deadline and correcting that situation. I would suggest that the financial implications of such a delay in filing a 10Q are far more pressing.

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I would be more than happy to discuss this with you, and I reiterate that it is my goal to work with the Company to create value for all shareholders. Please feel free to call me at the above-listed contact information.

Very truly yours,

/s/ Emanuel R. Pearlman

Emanuel R. Pearlman  
Manager

</TEXT>

</DOCUMENT>

# EXHIBIT 5



## SEC EDGAR Filing Information

### Form SC 13D/A -- General statement of acquisition of beneficial ownership [amend]

Filing Date Changed: **2004-09-13**

Group Members: **EMANUEL R. PEARLMANLIBERATION INVESTMENT GROUP  
LLCLIBERATION INVESTMENTS LTD.LIBERATION INVESTMENTS, L.P.**

Documents: **2**

SEC Accession No.

**0000914121-04-**

**001886**

Filing date: **2004-09-13**

Accepted: **2004-09-13 08:46:01**

#### Table of submitted documents:

| Seq | Type     | Document                                 | Size  | Description                   |
|-----|----------|--|-------|-------------------------------|
| 1   | SC 13D/A | <a href="#">li698474-13da4.txt</a>       | 21156 | AMENDMENT NO. 4               |
| 2   | EX-10    | <a href="#">li698474-ex_10.txt</a>       | 5540  | LETTER TO BOARD OF DIRECTORS  |
|     |          | <a href="#">0000914121-04-001886.txt</a> | 28977 | Complete submission text file |

#### Filer Information

**BALLY TOTAL FITNESS HOLDING CORP** (Subject) (**0000770944**)

IRS No.: **363228107** | State of Incorp.: **DE** | Fiscal Year End: **1231**

Type: **SC 13D/A** | Act: **34** | File No.: **005-47769** | Film No.: **041026676**

SIC: **7997** Services-Membership Sports & Recreation Clubs

##### Business Address

8700 WEST BRYN MAWR AVENUE  
SECOND FLOOR  
CHICAGO IL 60631  
773-380-3000

##### Mailing Address

8700 WEST BRYN MAWR AVENUE  
SECOND FLOOR  
CHICAGO IL 60631

**LIBERATION INVESTMENT GROUP LLC** (Filed by) (**0001259272**)

##### Business Address

##### Mailing Address

11766 WILSHIRE BLVD.,  
SUITE 870  
LOS ANGELES CA 90025

<DOCUMENT>  
<TYPE>SC 13D/A  
<SEQUENCE>1  
<FILENAME>li698474-13da4.txt  
<DESCRIPTION>AMENDMENT NO. 4  
<TEXT>

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

SCHEDULE 13D  
(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS  
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THERE TO FILED PURSUANT TO RULE 13d-2(a)

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Bally Total Fitness Holding Corporation

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(Name of Issuer)

Common Stock, par value \$.01 per share

-----  
(Title of Class of Securities)

058 73K 10 8

-----  
(CUSIP Number)

Dennis J. Block, Esq.  
Cadwalader, Wickersham & Taft LLP  
100 Maiden Lane  
New York, NY 10038  
(212) 504-5555

-----  
(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications)

September 10, 2004

-----  
(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), Rule 13d-1(f) or Rule 13d-1(g), check the following box ☐.

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CUSIP No. 058 73K 10 8  
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SCHEDULE 13D

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Page 2 of 9  
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-----  
1 NAME OF REPORTING PERSON  
Liberation Investments, L.P.  
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON  
-----

-----  
2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)  
(a) ☐ (b) ☒  
-----

-----  
3 SEC USE ONLY  
-----

-----  
4 SOURCE OF FUNDS (See Instructions)  
WC  
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or 2(e) ☐  
-----

-----  
6 CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware  
-----

-----  
7 SOLE VOTING POWER  
0  
-----

NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON  
WITH

-----  
8 SHARED VOTING POWER  
1,646,403  
-----

-----  
9 SOLE DISPOSITIVE POWER  
0  
-----

-----  
10 SHARED DISPOSITIVE POWER  
1,646,403  
-----

-----  
11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY REPORTING PERSON  
1,646,403  
-----

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See Instructions) [ ]

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4.83%

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PN

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CUSIP No. 058 73K 10 8

SCHEDULE 13D

Page 3 of 9

1 NAME OF REPORTING PERSON  
Liberation Investments Ltd.  
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)  
(a) [ ] (b) [X]

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions)  
WC

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) [ ]

6 CITIZENSHIP OR PLACE OF ORGANIZATION  
Cayman Islands

7 SOLE VOTING POWER  
0

NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON  
WITH

8 SHARED VOTING POWER  
894,297

9 SOLE DISPOSITIVE POWER  
0

10 SHARED DISPOSITIVE POWER

894,297

-----  
11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY REPORTING PERSON  
894,297

-----  
12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See  
Instructions) [ ]

-----  
13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
2.62%

-----  
14 TYPE OF REPORTING PERSON (See Instructions)  
CO

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CUSIP No. 058 73K 10 8

SCHEDULE 13D

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Page 4 of 9  
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-----  
1 NAME OF REPORTING PERSON  
Liberation Investment Group LLC  
I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

-----  
2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)  
(a) [ ] (b) [X]

-----  
3 SEC USE ONLY

-----  
4 SOURCE OF FUNDS (See Instructions)  
N/A

-----  
5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d)  
or 2(e) [ ]

-----  
6 CITIZENSHIP OR PLACE OF ORGANIZATION  
Delaware

-----  
7 SOLE VOTING POWER  
0

-----  
NUMBER OF  
SHARES 8 SHARED VOTING POWER  
BENEFICIALLY 2,540,700

## OWNED BY

EACH

REPORTING

PERSON

WITH

9

SOLE DISPOSITIVE POWER

0

10

SHARED DISPOSITIVE POWER

2,540,700

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY REPORTING PERSON  
2,540,700

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See  
Instructions)

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
7.46%

14 TYPE OF REPORTING PERSON (See Instructions)  
OO, IA

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1 NAME OF REPORTING PERSON

Emanuel R. Pearlman

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (See Instructions)  
(a) ☐ (b) ☒

3 SEC USE ONLY

4 SOURCE OF FUNDS (See Instructions)  
N/A

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d)  
or 2(e) ☐

6 CITIZENSHIP OR PLACE OF ORGANIZATION  
United States

|                     |   |
|---------------------|---|
| -----               |   |
|                     | 7      SOLE VOTING POWER<br>35,000  |
| NUMBER OF<br>SHARES | -----   |
| BENEFICIALLY        | 8      SHARED VOTING POWER<br>2,540,700   |
| OWNED BY<br>EACH    | -----   |
| REPORTING           | 9      SOLE DISPOSITIVE POWER<br>35,000   |
| PERSON<br>WITH      | -----   |
|                     | 10      SHARED DISPOSITIVE POWER<br>2,540,700   |
| -----               |   |
| 11                  | AGGREGATE AMOUNT BENEFICIALLY OWNED BY REPORTING PERSON<br>2,575,700                        |
| -----               |   |
| 12                  | CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (See<br>Instructions) [ ] |
| -----               |   |
| 13                  | PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)<br>7.56%                                 |
| -----               |   |
| 14                  | TYPE OF REPORTING PERSON (See Instructions)<br>IN, HC                                       |
| -----               |   |

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CUSIP No. 058 73K 10 8  
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#### INTRODUCTION

This Amendment No. 4 (this "Amendment") relates to the Schedule 13D filed on behalf of (i) Liberation Investments, L.P., a Delaware limited partnership ("LILP"); (ii) Liberation Investments Ltd. ("LILtd"), a private offshore investment corporation; (iii) Liberation Investment Group, LLC ("LIGLLC"), a Delaware limited liability company and general partner of LILP and discretionary investment adviser to LILtd; and (iv) Emanuel R. Pearlman, as General Manager, Chief Investment Officer and majority member of LIGLLC (collectively, the "Reporting Persons"), with the Securities and Exchange Commission on June 8, 2004, as amended by Amendment No. 1 filed on July 13, 2004 and Amendment No. 2 filed on August 27, 2004 (the "Schedule 13D"), relating to shares of common stock, \$.01 par value per share ("Common Stock"), of Bally Total Fitness Holding Corporation (the "Company").

Items 3, 4, 5 and 7 of the Schedule 13D are amended and supplemented as follows:

## Item 3. Source and Amount of Funds or Other Consideration.

The net investment cost (excluding commissions, if any) of the shares of Common Stock beneficially owned by the Reporting Persons is \$10,202,988.50. The source of funds for this consideration was working capital of LILP and LILtd.

## Item 4. Purpose of Transaction.

On September 10, 2004, LIGLLC, on behalf of the Reporting Persons, delivered a letter to the Board of Directors of the Company. The letter, among other things, responded to certain statements recently made by a Company spokesman to Reuters and set forth for the Board's consideration several specific agenda items that the Reporting Persons believe will help to enhance shareholder value. A copy of the letter is attached to this Amendment as Exhibit 10.

## Item 5. Interest in Securities of the Issuer.

(a) As of the date hereof, the Reporting Persons have the following interests in the Common Stock of the Company:

- (i) LILP beneficially owns 1,646,403 shares of Common Stock and is the beneficial owner of 4.83% of the Common Stock.
- (ii) LILtd beneficially owns 894,297 shares of Common Stock and is the beneficial owner of 2.62% of the Common Stock.
- (iii) LIGLLC, as the sole general partner of LILP and the sole investment advisor to LILtd, beneficially owns 2,540,700 shares of Common Stock and is the beneficial owner of 7.46% of the Common Stock.

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- (iv) Mr. Pearlman beneficially owns 35,000 shares of Common Stock and, as the majority member and General Manager of LIGLLC, beneficially owns 2,540,700 shares of Common Stock, and is the beneficial owner of 7.56% of the Common Stock.

The Reporting Persons in the aggregate may be deemed to own 7.56% of the Common Stock of the Company.

(b) The table below sets forth for each Reporting Person the numbers of shares of Common Stock for which there is sole or shared power to vote or to direct the vote, or sole or shared power to dispose or to direct the disposition, of the Common Stock:

|               | LILP | LILtd | LIGLLC | Mr.<br>Pearlman |
|---------------|------|-------|--------|-----------------|
|               | ---- | ----- | -----  | -----           |
| Sole Power to | 0    | 0     | 0      | 35,000          |



## Vote/ Direct Vote

|                                      |           |         |           |           |
|--------------------------------------|-----------|---------|-----------|-----------|
| Shared Power to<br>Vote/ Direct Vote | 1,646,403 | 894,297 | 2,540,700 | 2,540,700 |
|--------------------------------------|-----------|---------|-----------|-----------|

|   |   |   |   |        |
|---|---|---|---|--------|
| Sole Power to<br>Dispose/ Direct<br>Disposition | 0 | 0 | 0 | 35,000 |
|---|---|---|---|--------|

|   |           |         |           |           |
|---|-----------|---------|-----------|-----------|
| Shared Power to<br>Dispose/ Direct<br>Disposition | 1,646,403 | 894,297 | 2,540,700 | 2,540,700 |
|---|-----------|---------|-----------|-----------|

(c) In addition to the purchases or sales of the Company's Common Stock listed in Item 5(c) of Amendments No. 2 and 3 to the Schedule 13D, the following is a list of all purchases or sales of the Company's Common Stock by the Reporting Persons within the past 60 days:

- (i) On September 1, 2004, (i) LILP purchased 33,000 shares of Common Stock on the open market, at a price of \$3.9300 per share, and (ii) LILtd purchased 17,000 shares of Common Stock on the open market, at a price of \$3.9300 per share.
- (ii) On September 7, 2004, (i) LILP purchased 13,200 shares of Common Stock on the open market, at a price of \$3.6250 per share, and (ii) LILtd purchased 6,800 shares of Common Stock on the open market, at a price of \$3.6250 per share.
- (iii) On September 9, 2004, (i) LILP purchased 13,200 shares of Common Stock on the open market, at a price of \$3.4617 per share, and (ii) LILtd purchased 6,800 shares of Common Stock on the open market, at a price of \$3.4617 per share.

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- (iv) On September 9, 2004, (i) LILP purchased 39,600 shares of Common Stock on the open market, at a price of \$3.4947 per share, and (ii) LILtd purchased 20,400 shares of Common Stock on the open market, at a price of \$3.4947 per share.
- (v) On September 10, 2004, (i) LILP purchased 6,600 shares of Common Stock on the open market, at a price of \$3.4150 per share, and (ii) LILtd purchased 3,400 shares of Common Stock on the open market, at a price of \$3.4150 per share.

(d) No person other than each respective owner of Common Stock referred to in this Amendment is known to have the right to receive or the power to direct the receipt of dividends from or the proceeds from the sale of such Common Stock.

(e) Not applicable.

Item 7. Materials to be Filed as Exhibits.

The following exhibits are filed with this Amendment:

EXHIBIT 10 Letter, dated September 10, 2004, from Liberation Investment Group, LLC to the Board of Directors of Bally Total Fitness Holding Corporation.

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: September 13, 2004

LIBERATION INVESTMENTS, L.P.

By: Liberation Investment Group, LLC, general partner

By: /s/ Emanuel R. Pearlman  
-----

Emanuel R. Pearlman  
General Manager

LIBERATION INVESTMENTS LTD.

By: /s/ Emanuel R. Pearlman  
-----

Emanuel R. Pearlman  
Director

LIBERATION INVESTMENT GROUP, LLC

By: /s/ Emanuel R. Pearlman  
-----

Emanuel R. Pearlman  
General Manager

Emanuel R. Pearlman

/s/ Emanuel R. Pearlman  
-----

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<DOCUMENT>  
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<SEQUENCE>2  
<FILENAME>li698474-ex\_10.txt  
<DESCRIPTION>LETTER TO BOARD OF DIRECTORS  
<TEXT>

EXHIBIT 10

Liberation Investment Group, LLC  
11766 Wilshire Boulevard, Suite 870  
Los Angeles, CA 90025  
Tel: 310.479.3434  
Fax: 310.479.3363

September 10, 2004

Board of Directors  
Bally Total Fitness Holding Corp.  
8700 West Bryn Mawr - 2nd Floor  
Chicago, IL 60631

Dear Members of the Board:

I was shocked at the disparaging statements attributed by your spokesman, John Harris, to the Reuters reporter last week.

I would like to clarify the issues for the record. First, I was not "fired by Paul Toback shortly after he became CEO". In fact, Mr. Toback specifically asked me to continue to serve as a consultant to the Company for 90 days after his appointment and then in June of 2003 retained me to assist in the Company's senior bond financing and any potential accompanying bank financing or securitization. Secondly, to attribute sales declines to me is absurd. I was never asked to and never gave operational advice to the Company. I was retained as an independent consultant from time to time to provide financial consulting only. Mr. Harris' statement is even more absurd given that the Chief Operating Officer of the Company for 18 months of the period to which Mr. Harris referred was the current CEO, Paul Toback, and the marketing chief was your current COO John Wildman. Lastly, referring to me as the chief financial advisor is incorrect as the Company retained major bulge bracket investment banks on all of its financings and other major transactions.

The grossly inaccurate statements the Company has fed the media are even more disappointing in light of the fact that all Liberation, as one of your largest shareholders, wants is to enhance shareholder value. We have repeatedly stated that we hope to accomplish this by working with the current management. We own seven times as much stock as the entire board, and if you do not include Paul Toback's restricted stock grant of 290,000 shares, we own 70 times as much stock as the entire board. We have not asked for management or board changes to date. We have only made what we believe to be suggestions that would enhance shareholder value for all shareholders and would also be good for your other constituencies, employees, senior lenders and bondholders. We cannot understand why the Company would attack and disparage a large shareholder, which is making constructive suggestions to enhance value for all shareholders.

We are large owners in the Company and are entitled to express our opinion. Listed below are our top 5 agenda items for the Board's consideration, all of which we believe will help to significantly enhance shareholder value:

1. The Company needs to communicate with its owners in a more transparent manner. We believe management needs to provide a detailed report on the status of and issues arising from the late 10-Q filing, as well as periodic updates thereafter.
2. The Company needs to engage promptly in discussions with lenders who are prepared to refinance the current securitization and provide the Company with additional liquidity. We have, in fact, recommended one such lender who we understand believes that the Company is engaging in stonewalling tactics. We believe serious discussions should begin with this lender, or if you have alternatives better for the Company please let all the shareholders know.
3. We are aware of several parties who are interested in some of your assets, and we believe these parties have contacted the Company to discuss possible transactions. Liberation believes some of the assets these parties are interested in may be non-core and would be able to achieve very attractive prices. We encourage you to enter into serious discussions with these parties.
4. We also believe there are several investment groups who are interested in making substantial investments in the Company on terms beneficial to all your shareholders, bondholders, lenders and employees. Again, Liberation believes the Company should enter into serious discussions with such investment groups and, in fact, form a special committee of independent directors to review all proposals when received.
5. Lastly, Liberation believes the Board of Directors must be proactive at this time and insure that management's interests and the shareholders' interests are aligned, as well as explore different combinations of the above in order to enhance shareholder value for all.

As we have previously stated, Liberation believes in Bally's business and franchise and further believes that the market currently undervalues the Company. We are committed to helping to enhance shareholder value and prefer to work with the Company to accomplish this goal. We hereby respectfully request that the Company appoint a lead independent director with whom we could communicate directly to further insure that our voice and the voices of many of your other dissatisfied shareholders are heard.

Very truly yours,

/s/ Emanuel R. Pearlman

-----  
Emanuel R. Pearlman  
Manager

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